

**Description of the Proposed Water Rights of the Zuni Indian Tribe and Other
Terms of the Zuni Indian Tribe Water Rights Settlement As Represented to
the Court by the Settling Parties**

1. As described in Paragraph 1.7 of the Zuni Indian Tribe Water Rights Settlement Agreement of 2002, as amended (“Settlement Agreement”), the Zuni Indian Tribe (“Tribe”) will be entitled to use at least 5,500 acre feet of surface water per annum for wetland restoration on the Zuni Heaven Reservation in the Little Colorado River Basin in Arizona (“Reservation”) in accordance with the Settlement Agreement. The Tribe will use existing surface water rights appurtenant to its fee lands, and, within the scope of the Settlement Agreement, it has the right to acquire up to 3,600 acre feet of water per annum of existing court decreed surface water rights upstream of the Zuni Heaven Reservation. The Tribe may sever and transfer its water rights for use on the Reservation in accordance with the Settlement Agreement and State law.

2. The Tribe’s existing surface water rights are described in abstracts, which are attached to the Settlement Agreement as Exhibits 4.1.A (1) et seq.. The Tribe’s abstracted rights will be adjudicated along with other claimants’ rights in the normal course of the adjudication. The Parties have agreed not to object to the attributes of the Tribe’s water rights described in these abstracts as set forth in Paragraph 4.2.A of the Settlement Agreement. The Tribe’s existing surface water rights include:

- a. “Zuni Hunt Valley Area Historic Irrigation Diversions” for the maximum historical beneficial use between February and December for the irrigation of 2,493 acres from the Little Colorado River and Concho Creek, as provided in Exhibit 4.1.A(1) to the Settlement Agreement.
 - b. “Zuni Hunt Valley Large Irrigation Wells” as provided in Exhibit 4.1.A (2) to the Settlement Agreement.
 - c. “Zuni Meadows Area Historic Irrigation Diversions” for the maximum historical beneficial use between April 15 and September 15 for decreed acres and from January 1 to December 31 for non-decreed acres for the irrigation of 1,594 acres from the Little Colorado River, Carrizo Wash and Big Hollow Wash, as provided in Exhibit 4.1.A(3) to the Settlement Agreement.
 - d. “Zuni River Area Historic Irrigation” for the maximum historical beneficial use between July and October for the irrigation of 801 acres from Zuni River flood flows, as provided in Exhibit 4.1.A(4) to the Settlement Agreement.
3. For wetlands, irrigation and cultural uses on the Reservation, the Tribe will receive an appropriation of 5,500 acre feet per annum from the unappropriated flows of the Little Colorado River for use on 828 acres with a priority date of August 28, 1984 as described in Paragraph 4.6.B of the Settlement Agreement and in Exhibit 4.6.B to the Settlement Agreement.

4. The Tribe, the United States and Lyman Water Company have executed a Water Right, Entitlement and Perpetual Delivery Agreement (“Entitlement and Delivery Agreement”). Pursuant to the Entitlement and Delivery Agreement, the United States shall hold in trust for the Tribe all right, title and interest to a permanent water right and entitlement to receive, on an annual basis, twelve percent (12%) of LWC Delivered Water as defined in Paragraph 5 of the Entitlement and Delivery Agreement, at the priority date of Lyman Reservoir under the Norviel Decree. Twelve percent (12%) of LWC Delivered Water has historically provided 972 acre feet per annum of water. The Entitlement and Delivery Agreement is attached as Exhibit 2 to the Stipulation and Request for Entry of Judgment and Decree dated March 1, 2006 (“Stipulation”), which is attached as Exhibit A to the Application for an Order for Special Proceedings to Approve an Indian Water Rights Settlement and Stipulation.

5. The parties to the Settlement Agreement will not object to the Tribe’s withdrawal or use of 1,500 acre feet per annum of underground water from wells located on the Zuni Pumping Lands if the water is used on those lands in accordance with Paragraph 5.3 of the Settlement Agreement. The Zuni Pumping Lands, which are adjacent to the Reservation, are described in Exhibit 2.48 to the Settlement Agreement.

6. The Tribe will not object to water uses from all existing wells and from new exempt wells as set forth in Paragraphs 5.1 and 5.5 of the Settlement Agreement.

7. For new wells located outside the Zuni Protection Area, the Tribe and the United States will not object to the withdrawal of water from new non-exempt wells unless the withdrawal of water interferes with the Tribe's surface water rights as described in Paragraph 5.6 of the Settlement Agreement. The Zuni Protection Area, which is adjacent to the Reservation, is set forth in Exhibit 2.48 to the Settlement Agreement.

8. For new wells located inside the Zuni Protection Area, the Tribe and the United States will not object to the withdrawal of water unless the Static Water Level Decline is more than 50 feet as described in Paragraph 5.7.D of the Settlement Agreement.

9. Any owner of land located within the Zuni Protection Area may sign a Pumping Protection Agreement and agree to limit the capacity of new wells on his or her land to a total of 500 gallons per minute for each section of land, or a prorated amount if the lands are less than one section. If a landowner enters into a Pumping Protection Agreement, the Tribe and the United States will not object to wells or withdrawals of underground water from wells on his or her land that are consistent with the terms of the Pumping Protection Agreement. The Pumping Protection Agreement Form is attached to the Settlement Agreement as Exhibit 5.7.B.

10. The Tribe and the United States have also entered into agreements with Salt River Project, Tucson Electric Power Company and the Arizona State Land Department that recognize certain intended uses of underground water. These agreements are acknowledged in Section 5.8 of the Settlement Agreement.

11. As set forth in Article 8 of the Settlement Agreement, water rights made available to the Tribe under the Settlement Agreement and used on the Zuni Heaven Reservation will be held in trust by the United States in perpetuity, and will not be subject to forfeiture and abandonment.

12. In exchange for the water and funds provided to the Tribe by the Settlement Agreement, the Tribe, on its own behalf and on behalf of its individual members, and the United States have signed comprehensive waivers and releases of claims as described in Exhibits 11.2.1, 11.2.2 and 11.2.3 to the Settlement Agreement.

13. The description of water rights set forth in this Attachment is not intended to supersede the terms of the Stipulation or the Settlement Agreement among the settling parties. In the event any aspect of the description contained herein varies from or conflicts with the terms of the Stipulation or the Settlement Agreement, the terms of the Stipulation and the Settlement Agreement are controlling.